# AI Governance Market to Hit $10bn Amid Regulatory Push



The market for AI-driven policy and governance agents is expected to grow from $1.93 billion in 2024 to $10.31 billion by 2029, according to The Business Research Company. The projected compound annual growth rate of 39.8% reflects increasing AI adoption, data complexity and a mounting need for automated frameworks that deliver transparency and accountability.

This sharp trajectory mirrors a wider trend in both government and business, where AI is being deployed to address complex governance challenges. In the UK, around 15% of businesses have adopted AI technologies, according to OxLEP Business. As use accelerates, the infrastructure around AI deployment becomes more crucial—not just for operational efficiency, but also to democratise information access and support better decision-making.

Globally, regulatory pressure is a key growth driver. The European Union’s AI Act will enforce stringent controls on high-risk AI, particularly in sectors like healthcare and finance, in response to ethical concerns and algorithmic bias. Demand for AI governance solutions is expected to rise accordingly, helping organisations navigate evolving compliance requirements. Separate forecasts from MarketsandMarkets and Research and Markets suggest the AI governance segment could reach nearly $5.8 billion by 2029.

Technological shifts are also reshaping the sector. Blockchain integration for accountability and automated compliance monitoring is gaining momentum, improving both transparency and data integrity. Major players including Google, Microsoft and IBM are developing platforms that embed ethical safeguards and support robust risk management.

As organisations face reputational risks tied to biased AI outputs, there is a growing emphasis on governance systems that ensure fairness and reliability. Sectors such as finance, healthcare and energy are likely to lead adoption of AI-powered risk assessments and decision support tools.

With regulation tightening and innovation advancing, the market for AI policy agents is set for rapid expansion. In harnessing these tools, the UK has an opportunity to reinforce its leadership in responsible AI, fostering ethical standards and strengthening public trust.

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## Bibliography

1. <https://journalofcyberpolicy.com/global-ai-driven-policy-and-governance-agents-market-set-for-39-8-growth-reaching-10-31-billion-by-2029/> - Please view link - unable to able to access data
2. <https://www.thebusinessresearchcompany.com/report/ai-driven-policy-and-governance-agents-global-market-report> - The Business Research Company's report projects the AI-driven policy and governance agents market to grow from $1.93 billion in 2024 to $2.70 billion in 2025, representing a compound annual growth rate (CAGR) of 40.1%. This growth is attributed to increased AI adoption across industries, rising data complexity, concerns over data privacy, and a surge in demand for automation in monitoring and compliance. The market is expected to reach $10.31 billion by 2029, with a CAGR of 39.8%. Key trends include automated compliance monitoring, AI-powered risk scoring, integration with blockchain, AI-powered decision support systems, and AI-enhanced predictive analytics.
3. <https://www.marketsandmarkets.com/PressReleases/ai-governance.asp> - MarketsandMarkets projects the AI governance market to grow from $890.6 million in 2024 to $5,776.0 million by 2029, at a CAGR of 45.3%. This growth is driven by increasing regulatory pressures and demands for compliance, as governments worldwide implement stricter AI regulations. The European Union's AI Act, for example, subjects AI systems, particularly in high-risk sectors like health and finance, to risk assessments and compliance audits, thereby increasing demand for governance frameworks. Organizations also face reputational risks associated with biased or harmful AI outputs, prompting the adoption of robust AI governance measures.
4. <https://www.globenewswire.com/news-release/2024/11/07/2976931/28124/en/AI-Governance-Market-Research-Model-Lifecycle-Management-Risk-Compliance-Monitoring-Auditing-Ethics-Responsible-AI-Global-Forecast-to-2029.html> - Research and Markets' report indicates that the AI governance market is projected to grow from $890.6 million in 2024 to $5.77 billion in 2029, with a CAGR of 45.3%. The market expansion is fueled by the growing recognition of the importance of risk management in AI deployments. Increased demand for governance and risk management model accountability in regulated industries further propels growth. By functionality, risk management and compliance are expected to register the fastest market growth rate during the forecast period, as businesses in all industries understand the need to address bias, fairness, and transparency in AI models, especially in strictly regulated sectors such as finance, healthcare, and insurance.
5. <https://www.reportsnreports.com/ict/ai-governance-market-size-growth-industry-forecast-2029/> - ReportsnReports' analysis projects the AI governance market to grow from $890.6 million in 2024 to $5,776.0 million by 2029, at a CAGR of 45.3%. This growth is driven by increasing regulatory pressures and demands for compliance, as governments worldwide implement stricter AI regulations. The European Union's AI Act, for example, subjects AI systems, particularly in high-risk sectors like health and finance, to risk assessments and compliance audits, thereby increasing demand for governance frameworks. Organizations also face reputational risks associated with biased or harmful AI outputs, prompting the adoption of robust AI governance measures.
6. <https://www.thebusinessresearchcompany.com/report/ai-governance-global-market-report> - The Business Research Company's report indicates that the AI governance market size has grown exponentially in recent years. It is projected to grow from $0.29 billion in 2024 to $0.42 billion in 2025 at a compound annual growth rate (CAGR) of 45.5%. The growth in the historic period can be attributed to growing demand for transparency and trust in AI systems, increasing easy access to historical datasets and convenience of data storage, and proliferating interest in ethical hacking and penetration testing. The forecast period is expected to see exponential growth, reaching $1.85 billion in 2029 at a CAGR of 44.6%, driven by expanding government initiatives to leverage AI technology and increasing use of AI in retail.